

# Workforce News

June 2006

A publication of the Department of Workforce Services



**Mountainland: Summit, Utah, Wasatch**

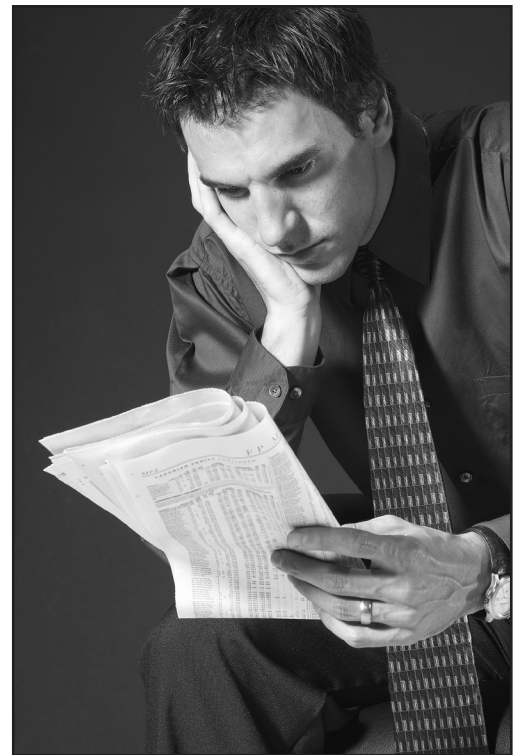
**jobs.utah.gov**



## Tightness in the Job Market.

In the Mountainland counties (Summit, Utah, and Wasatch), the economy, with strong job growth and low unemployment, is expanding at a healthy pace across all major industrial sectors. The labor market has changed from the situation earlier in the decade of too many workers seeking too few jobs (an employer-favorable market), to a tight market in which employers say that there are not enough available workers with the skills they need to fully staff their enterprises.

When an area's unemployment rate drops below 4 percent for a sustained period of time, as it has along the Wasatch Front, employers find it increasingly necessary to compete for workers. Businesses often must increase their training programs in order to upgrade the skill levels of the workers available for hire. Ultimately, when demand for labor exceeds supply, its price—that is, wages—will increase. Sustained shortages inevitably increase prices.



When job opportunities are relatively plentiful and unemployment is low, economists will characterize the labor market as having reached full employment. To the person on the street the question arises, how can any level of unemployment be considered full employment?

In a dynamic, expanding, free market

*(continued on page 2)*

### Inside:

- ✦ Check it Out
- ✦ County News
- ✦ What's Up?



Contact the author, your regional economist, with any questions on content:

James Robson  
801-526-9626  
jrobson@utah.gov

Find your county's economic information at:

<http://jobs.utah.gov/opencms/wi/counties>

# Tightness in the Job Market

(continued)

economy there are two types of unemployment that are considered natural in that they will always and necessarily exist. First, there is unemployment due to normal turnover of people moving in and out of the labor market as a result of educational, lifestyle, or occupational choices. Students graduate and become new entrants to the labor force. People reduce or leave employment to have children or to attend to the health needs of a family member. People change their career direction in pursuit of a more fulfilling or lucrative occupation. In the best economy, there are many workers who are temporarily between jobs. Economists refer to this

as frictional unemployment.

Second, there is structural unemployment. The changing structure of industries by technology, automation, consumer tastes, or other similar reasons, results in jobs being lost in some areas or occupations. There are also industries with pronounced seasonal work, such as construction, retail trade, and recreation, with substantially higher and lower demands at different times during the year.

Regardless of how you define full employment, this is a strong job market for workers.

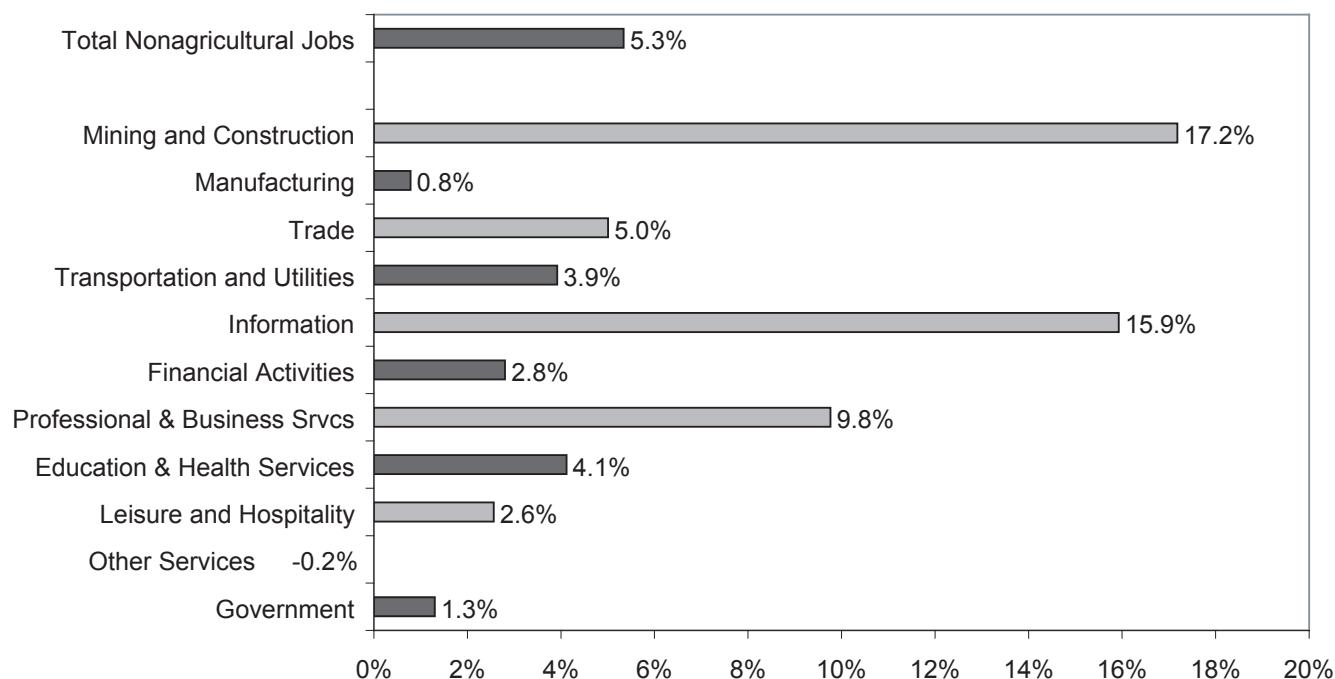
## Check it Out

**Subscribe** to get email updates on the economic data you need.

It's easy. Simply log on to <http://jobs.utah.gov/opencms/wi>, scroll to the bottom and click on "sign up" to select updates you want to receive.

## Non-Farm Job Growth in Mountainland:

4th Quarter 2004 to 4th Quarter 2005



Source: Utah Department of Workforce Services

# County News

## Utah County

During 2005, the Utah County labor market maintained job growth of around five percent compared to year-ago levels. For the latter half of 2005, average nonfarm employment was 170,844 compared to 166,154 for the last six months of 2004. There was a net addition of 8,214 jobs, or growth of 5.1 percent. Industry-specific job counts for the last six months of 2005 show that all major industrial sectors are expanding. Comparing fourth quarter 2005 to fourth quarter 2004, the largest job gains occurred in professional and business services (1,989), construction (1,973), information (1,166) and trade (961).

When comparing fourth quarter of 2005 to fourth quarter of 2004, taxable sales were up by 15.2 percent and the total valuation of permit-authorized construction was up by 31.1 percent. All signs point to a continuation of relatively rapid population growth and economic development, even in the face of gradually increasing interest rates and high energy prices.

## Summit County

Summit County year-over job growth has fluctuated between six to nine percent for over two years. In the fourth quarter of 2005 payroll employment averaged 19,499 jobs, increasing by 1,508 jobs compared to year-ago levels, growing at rapid 8.4 percent rate. Four industrial sectors added around 250 net new jobs over the year: construction (263), professional and business services (252), trade (255), and accommodation and food (239).

## Wasatch County

Of the Mountainland counties, Wasatch job growth was the fastest at 8.8 percent. Two industries supplied the bulk of job increases. Compared to year-ago levels, there was a net increase of 228 jobs in construction and 226 jobs in trade in the fourth quarter of 2005.

## What's Up?

✦ In the first quarter of 2006, the median price of a single-family house in Utah County rose to \$187,950, up 13.9 percent from \$165,000 in the first quarter of 2005, according to the Wasatch Front Regional Multiple Listing Service.

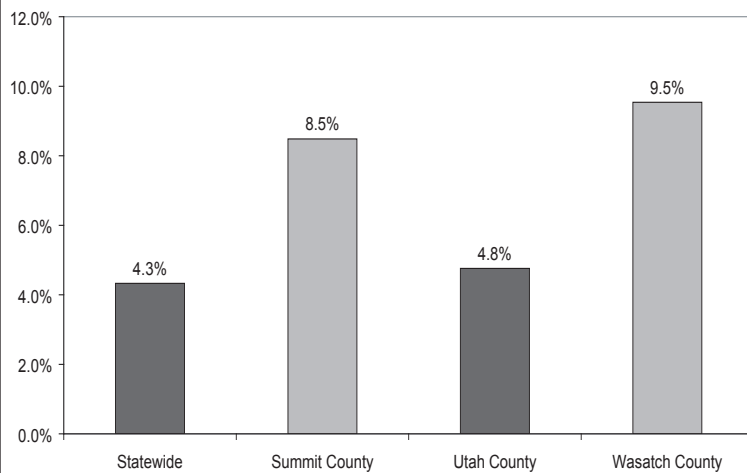
✦ IM Flash Technologies LLC will hire 1,850 people over the next two years and put its corporate headquarters at the former Micron Technology Inc. facility here. IM Flash is a joint venture between Micron and Intel Corp. The Lehi facility will produce NAND Flash memory chips used in a variety of consumer electronics, removable storage and handheld communications devices. —Deseret Morning News

✦ This year's Sundance film Festival generated \$61.5 million in economic activity, a 44-percent increase from last year, according to a report conducted by the University of Utah's Bureau of Economic and Business Research. Most of that came from hotel accommodations of \$28.5 million, followed by food services at \$14.1 million. It is estimated that 53,000 filmgoers came to the festival in January.

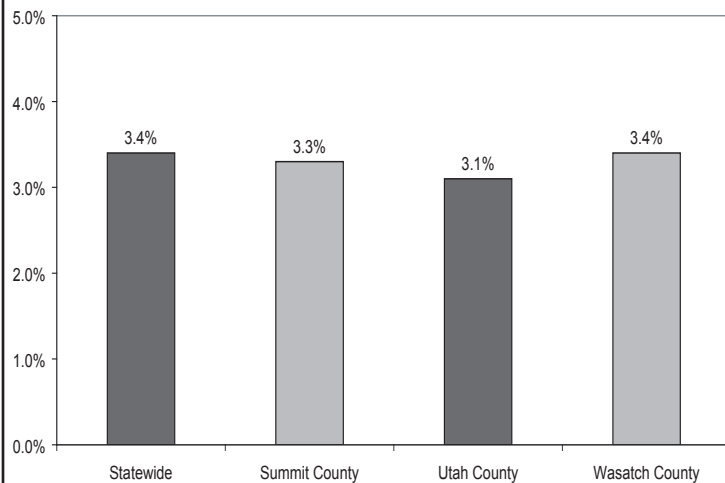
Mountainland: Summit, Utah, Wasatch

jobs.utah.gov

**Nonfarm Job Growth:  
December 2004 to December 2005**



**March 2006 Unemployment Rate  
(seasonally adjusted)**



**Source: Department of Workforce Services**

03-5IMTN-0606